GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:143
ANSWERED ON:26.02.2009
UPGRADATION OF REFINERIES
Angadi Shri Suresh Chanabasappa

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the public sector oil companies propose to upgrade their refineries and to equip themselves in processing high sulphur crude oil to cut their import bill;

(b) if so, the details thereof;

(c) the gain likely to be accrued through such measures; and

(d) the extent to which the benefits will be passed on to the public in particular?

Answer

MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 143 BY SHRI SURESH ANGADI TO BE ANSWERED ON 26TH FEBRUARY, 2009 REGARDING UPGRADATION OF REFINERIES

(a) & (b) : In view of dependence of around 80% on the imported crude, the Public Sector Oil Companies are progressively increasing processing of High Sulphur crude oil, which is available at a lower price as compared to low Sulphur crude. Apart from the Refineries designed for indigenous low-Sulphur crude oil processing, namely, the North Eastern Refineries (Digboi, Guwahati, Bongaigaon & Numaligarh), Barauni (part) and Gujarat (part) Refineries of Indian Oil Corporation Ltd. and Nagapattinam of Chennai Petroleum Corporation Limited, most of the other Refineries are equipped to process High Sulphur crude oil.

The Public Sector Oil Companies are regularly undertaking Refinery Upgradation Projects in terms of installation of high severity Fluidised Catalytic Converter, Delayed Coker Unit, Coker Hydrotreater Unit, etc. to optimize high-Sulphur crude oil processing based on economics,pollution levels and product demand.Moreover,Fuel Quality Upgradation Projects are presently being executed at the Refineries of the Public Sector Oil Companies to meet the stringent environmental norms. The High Sulphur Crude processing capability is expected to go up after the commissioning of these projects.

(c) & (d): To meet the stringent fuel quality specifications/environmental norms,the processing of high sulphur crude oil requires extraction of extra sulphur from the product streams through various processes. Though this increases the cost of processing high sulphur crude oil by the refineries as compared to the low sulphur crude oil,it results in availability of better quality of fuel,causing lower pollution, to the public.